



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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First District

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September 1, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 2 TO AGREEMENTS WITH VARIOUS CONTRACTORS
FOR TEMPORARY MEDICAL PERSONNEL SERVICES -
CERTIFIED REGISTERED NURSE ANESTHETIST
(All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee, to sign Amendment No. 2, substantially similar to the attached Exhibit I, to Agreements with the current Certified Registered Nurse Anesthetist (CRNA) providers listed in Attachment A, to extend the term of the Agreements, effective October 1, 2005 through September 30, 2006, at a maximum total cost of \$1,484,136 per year, net County cost.
2. Approve and authorize the Director of Health Services, or his designee, to sign a retroactive amendment substantially similar to the attached Exhibit II, to increase Martin Luther King, Jr., Charles Drew Medical Center's (King/Drew) maximum obligation for the current contract term, effective October 1, 2004 through September 30, 2005, from \$25,000 to \$97,355, to cover payments due to Maxim Physician Resources (Maxim) for necessary CRNA services rendered, for a total increase of \$72,355, net County cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

In approving the recommended actions, the Board is authorizing the Director of Health Services, or his designee, to sign Amendment No. 2 to Agreements with the current CRNA providers listed in Attachment A, to extend the term of the Agreements for a maximum of 12 months at the same hourly

rates, for the continued provision of temporary CRNA personnel services at all the Department of Health Services (DHS) facilities, effective October 1, 2005 through September 30, 2006. The Board is also authorizing an increase of \$72,355 in King/Drew's maximum obligation to cover retroactive payments due to Maxim for necessary CRNA services provided during the current contract term. Due to an oversight, King/Drew has exceeded its maximum obligation for the current contract term, but has taken corrective measures to prevent this from occurring again in the future.

FISCAL IMPACT/FINANCING:

Effective on October 1, 2005 through September 30, 2006, the estimated cost for CRNA services provided to the participating County medical facilities will be as follows: 1) Harbor/UCLA Medical Center (Harbor), \$700,217; 2) High Desert Health System (High Desert), \$1,000; 3) LAC+USC Healthcare Network, \$210,000; 4) King/Drew, \$218,919; 5) Olive View/UCLA Medical Center (Olive View), \$144,000; 6) Rancho Los Amigos National Rehabilitation Center (Rancho), \$210,000, or a total annual maximum obligation of \$1,484,136.

Funding for this Amendment is included in the Fiscal Year 2005-06 Adopted Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

For a number of years, the County has contracted with private sector CRNA registries to meet DHS' staffing needs. Under the direct supervision of physicians, CRNAs provide anesthesia to patients in surgery and to obstetrics patients in delivery. CRNAs may also be involved with the pre-operative/post-operative evaluation of patients prior to or after receiving anesthesia.

On September 26, 2000, the Board approved the existing Agreements with four registries which had been recommended by the County medical facilities and subsequently selected after the County's review and approval of a completed questionnaire and submission of the required documentation, such as a certificate of insurance, business license, articles of incorporation, etc. The current Agreements are slated to expire on September 30, 2005.

On November 9, 2004, the Board approved Amendment No. 1 to the existing Agreements to increase the hourly rates offered to contractors by a percentage amount between 30% and 37%, for the Day, Evening, and Night shifts.

Amendment No. 2 will extend the term of the Agreements for a maximum of 12 months, effective October 1, 2005 through September 30, 2006. The Amendment will also allow the Department to increase King/Drew's maximum obligation under the current contract, from \$25,000 to \$97,355.

An increase in the contract amount for the current term is necessary due to King/Drew's unanticipated increased use of registry CRNAs which was caused by a temporary lack of related staff and the failure of the facility to take appropriate steps to amend the contracts in a timely manner to reflect the increased utilization.

These CRNA services are designed to be used only on an as-needed basis. The Amendment does not obligate the County to order any services from the contractors during the term of the Agreement. In addition, the Amendments and Agreement acknowledge the County's right to contract with other providers and to perform CRNA services itself, using County personnel. Contractors are used only when County staff are not available to provide services.

All contractors are required to provide current, active documentation of State-level Registered Nurse and Nurse Anesthetist licenses and national-level CRNA re-certification for each of their CRNAs before assignment to a County facility.

The County guidelines for the timely submission of contracts for Board approval three weeks in advance of the effective date was not met due to recently resolved issues related to King/Drew's use of registry staff to back fill a full-time County CRNA, while the employee is out indefinitely.

The contractors will continue to accept referrals of County employees from the County's Human Resources staff throughout the term of the Agreement.

The recommended Amendment contains the latest provisions regarding compliance with the County's jury service program, no payment for services provided following expiration/termination of the contract, and contractor's acknowledgment of County's commitment to safely surrendered baby law.

The Agreement may be terminated with or without cause by the County by providing a 30-day advance written notice.

Contract monitoring functions are performed by staff at the facilities.

Attachments A and B provide additional information.

County Counsel has approved the Amendment (Exhibits I and II) as to use and form.

CONTRACTING PROCESS:

DHS has made a finding that the contract services are of a professional and temporary nature, and that they are required on an intermittent basis.

Amendment No. 2 will amend the Agreements with the current contractors, effective on October 1, 2005 through September 30, 2006. The existing Agreements will continue to be offered to other qualified contractors of temporary CRNA services on an as-needed basis during the Agreement term.

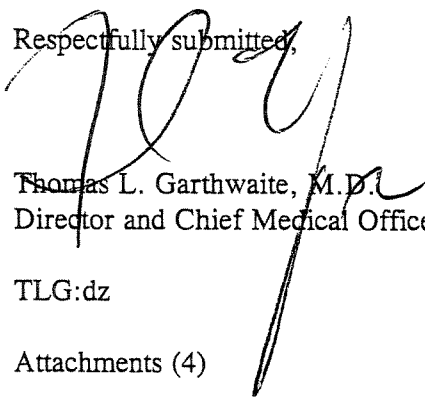
IMPACT OF CURRENT SERVICES (OR PROJECTS):

This Amendment will ensure that vital CRNA services are available when needed.

The Honorable Board of Supervisors
September 1, 2005
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:dz

Attachments (4)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor Controller

BLETRCD3998.DZ

SUMMARY OF AMENDMENT1. TYPE OF SERVICE:

Temporary Certified Registered Nurse Anesthetist (CRNA) services in Department of Health Services medical facilities.

2. AGENCIES ADDRESSES AND CONTACT PERSONS:

- | | |
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| <p>a. Nurse Connection, Inc.
4311 Wilshire Blvd., Suite 400
Los Angeles, CA 90010
Attention: Joseph Baiden, Vice-President
Telephone: (800) 422-0121
Contract No.: H-211768</p> | <p>b. Reliable Health Care Services, Inc.
5705 South Sepulveda Blvd.
Culver City, CA 90230
Attention: William Benbassat, President
Telephone: (800) 458-1989
Contract No.: H-211729</p> |
| <p>c. United Anesthesia Associates, Inc.
110 Hepler Street, P.O. Box 1847
Kernersville, North Carolina 27285
Attention: Ludy Strother, Vice President
Telephone: (800) 334-8320
Contract No.: H-211818</p> | <p>d. Maxim Health Systems dba, Maxim Physician Resources
6100 Fairview Road, Suite 1145
Charlotte, North Carolina 28210
Attention: Matt Shelton, Accounts Manager
Telephone: (866) 466-2974
Contract No.: H-700793</p> |

3. TERM:

Amendment No. 2 will be effective October 1, 2005 through September 30, 2006.

4. FINANCIAL INFORMATION:

Effective on October 1, 2005 through September 30, 2006, the cost for CRNA services provided to the participating County medical facilities will be as follows: 1) Harbor/UCLA Medical Center (Harbor), \$700,217; 2) High Desert Health System (High Desert), \$1,000; 3) LAC+USC Healthcare Network, \$210,000; 4) Martin Luther King, Jr./Charles R. Drew Medical Center (King/Drew), \$218,919; 5) Olive View/UCLA Medical Center (Olive View), \$144,000; 6) Rancho Los Amigos National Rehabilitation Center (Rancho), \$210,000, or a total annual maximum obligation of \$1,484,136.

Funding for this Agreement is included in the Fiscal Year 2005-06 Adopted Budget and will be requested in future fiscal years.

5. PROGRAM INFORMATION:

Under the direct supervision of physicians, CRNAs provide anesthesia to patients in surgery and to obstetrics patients in delivery. CRNAs may also be involved with the pre-operative/post-operative evaluation of patients prior to or after receiving anesthesia.

6. APPROVALS:

Harbor/UCLA Medical Center:	Tecla A. Mickoseff, Chief Executive Officer
Olive View/UCLA Medical Center:	Melinda Anderson, Chief Executive Officer
LAC+USC Healthcare Network:	Pete Delgado, Chief Executive Officer
King/Drew Medical Center:	Hank Wells, Chief Executive Officer
Rancho Los Amigos:	Valerie Orange, Chief Executive Officer
High Desert Health System:	Beryl Brooks, Chief Executive Officer
Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel (as to form):	Sharon A. Reichman, Principal Deputy County Counsel

ANNUAL BUDGET EFFECTIVE 10/1/05 THROUGH 9/30/06

HARBOR/UCLA MEDICAL CENTER	\$ 700,217
HIGH DESERT HEALTH SYSTEM	1,000
LAC+USC HEALTHCARE NETWORK	210,000
MARTIN LUTHER KING, JR./CHARLES R. DREW MED CNTR	218,919
OLIVE VIEW/UCLA MEDICAL CENTER	144,000
RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER	<u>210,000</u>
TOTAL	<u>\$1,484,136</u>

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EXHIBIT I

Contract No. _____

TEMPORARY MEDICAL PERSONNEL SERVICES AGREEMENT

(Certified Registered Nurse Anesthetist)

AMENDMENT NO. 2

THIS AMENDMENT is made and entered into this _____ day
of _____, 2005,

by and between

COUNTY OF LOS ANGELES (here-
after "COUNTY"),

and

(hereafter "CONTRACTOR").

WHEREAS, reference is made to that certain document entitled
"TEMPORARY MEDICAL PERSONNEL SERVICES AGREEMENT (Certified
Registered Nurse Anesthetist)", dated September 26, 2000,
further identified as County Agreement No. _____ and
Amendment No. 1 thereto (all hereafter "Agreement"); and

WHEREAS, it is the desire of the parties hereto to amend
Agreement to extend its term and make other hereafter described
changes; and

WHEREAS, the Agreement provides that changes to its
provisions may be made in the form of a written amendment which
is formally approved and executed by both parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. The term of this Agreement is hereby extended for twelve (12) months from October 1, 2005, and unless sooner terminated, shall expire on September 30, 2006.

2. Effective October 1, 2005, Paragraph 39, MAXIMUM OBLIGATION OF COUNTY, shall be deleted in its entirety.

3. During the term of this Agreement, Contractor shall be compensated according to the same payment provisions specified in the Agreement.

4. To the extent not inconsistent with this Amendment and except as set forth and/or in accordance with the terms herein, the parties hereby agree and confirm the terms and conditions as set forth in the Agreement.

5. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this
Amendment to be subscribed in its behalf by its duly authorized
officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Thomas L. Garthwaite, M.D.
Director and Chief Medical
Officer

Contractor

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, JR.
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division

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dz:8/30/05

EXHIBIT II

Contract No. H-700793

TEMPORARY MEDICAL PERSONNEL SERVICES AGREEMENT

(Certified Registered Nurse Anesthetist)

AMENDMENT NO. 2

THIS AMENDMENT is made and entered into this _____ day
of _____, 2005,

by and between

COUNTY OF LOS ANGELES (here-
after "COUNTY"),

and

MAXIM HEALTH SYSTEMS
DBA, MAXIM PHYSICIAN RESOURCES
(hereafter "CONTRACTOR").

WHEREAS, reference is made to that certain document entitled
"TEMPORARY MEDICAL PERSONNEL SERVICES AGREEMENT (Certified
Registered Nurse Anesthetist)", dated January 5, 2005, further
identified as County Agreement No. H-700793 and Amendment No. 1
thereto (all hereafter "Agreement"); and

WHEREAS, it is the desire of the parties hereto to amend
Agreement to cover retroactive payments due Contractor for
services rendered during the current contract period, ending
September 30, 2005, and extend its term; and

WHEREAS, the Agreement provides that changes to its
provisions may be made in the form of a written amendment which
is formally approved and executed by both parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. The term of this Agreement is hereby extended for twenty-four (24) months from October 1, 2005, and unless sooner terminated, shall expire on September 30, 2007.

2. That Paragraph 39, MAXIMUM OBLIGATION OF COUNTY, be revised and amended as follows:

"39. MAXIMUM OBLIGATION OF COUNTY: During the period beginning November 9, 2004 through September 30, 2005, the maximum obligation of County for all services provided under this Agreement shall not exceed Seven Hundred Six Thousand, Five Hundred Fifteen Dollars (\$706,515). Such maximum obligation is comprised entirely of County funds."

3. Effective October 1, 2005, Paragraph 39, MAXIMUM OBLIGATION OF COUNTY, shall be deleted in its entirety.

4. To the extent not inconsistent with this Amendment and except as set forth and/or in accordance with the terms herein, the parties hereby agree and confirm the terms and conditions as set forth in the Agreement.

5. During the term of this Amendment, Contractor shall be compensated according to the same payment provisions specified in the Agreement.

6. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this
Amendment to be subscribed in its behalf by its duly authorized
officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Thomas L. Garthwaite, M.D.
Director and Chief Medical
Officer

MAXIM HEALTH SYSTEMS
DBA, MAXIM PHYSICIAN RESOURCES
Contractor

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, JR.
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division

AMENDCD4011.DZ
dz:8/30/05